

Introduction

I. Purpose of Affordable Housing Indicators

The key outcomes of the Countywide Planning Policies' affordable housing policies are to:

- Provide Sufficient Affordable Housing for all King County Residents
- Promote Affordable Home Ownership Opportunities
- Promote Equitable Distribution of Affordable Low-Income Housing throughout King County

The Affordable Housing Indicators were developed to monitor the achievement of the Countywide Planning Policies for affordable housing and to identify trends that are both consistent and inconsistent with these policies.

II. Definitions of Terms

- A **housing unit**, by census definition, is equivalent to the dwelling place of one household. It may be occupied or vacant. Generally, to be considered a housing unit, the unit must have its own kitchen facilities.
- **Homes** may refer to houses, townhomes, condominiums, apartments, mobile homes or trailers, or a group of rooms or a single room occupied as separate living quarters. However, homes may be defined differently according to the data source used. For instance, some sources include condominiums in calculating median and average home prices, and some do not.
- In general, **single family homes** include mobile and manufactured homes. They also include attached townhomes when these occupy an individual lot owned by the homeowner, rather than occupying land owned in common by a condominium or homeowner's association. They may be owner-occupied or renter-occupied.
- An **accessory dwelling unit (ADU)** is a housing unit that is within, attached to, or immediately adjacent to a single family home. It has a separate entrance from the single family home. It differs from a duplex in that it is allowed, under certain conditions, in some single family zones.
- **Multifamily housing** includes all buildings sheltering two or more separate households, such as apartment buildings, condominium buildings, duplexes or triplexes, and attached townhomes on property co-owned by a homeowner's association. In any of these building types, there may be renter-occupied or owner-occupied units.
- The **affordability gap** is the difference between the home price a household can afford and the price of a typical home on the market.
- **Housing cost for renters** includes rent and the estimated average monthly cost of utilities and fuels that are paid by the renter. Affordable housing for renters assumes that a renter household pays no more than 30% of its household income for housing costs.
- **Housing cost for owners** includes payments for mortgages or similar debts on the property; real estate taxes; insurance; utilities and fuels. It also includes monthly condominium fees and mobile home costs. Affordable housing for homeowners assumes that a homeowner household pays no more than 25% of its household income towards a mortgage, allowing 5% of income for taxes, insurance, and maintenance.
- The **homeless population** refers to the number of people sleeping in places not meant for human habitation (e.g. streets, parks, alleys, squatter situations, campgrounds, vehicles, railroad cars, etc.); and to those in emergency or transitional shelters (including hotel/motel voucher arrangements paid because the person or family is homeless).
- **Median household income** is the income earned by the middle household if all households are arranged in order according to income. Half of the county's households earn below median income and half earn above median income.
- A typical **first-time buyer** is considered to be a household earning 80% of median income. The affordability of a home for a first-time buyer is based on a 5% down payment
- The **median income for households who rent** is about 67% of the median income of all households.
- The **home ownership rate** is the proportion of homes that are owner-occupied. The complement is the proportion of homes that are renter-occupied.
- An **MPD** is a **Master Planned Development**. Usually an MPD includes a variety of housing types, and there may be an agreement that a percent of units be affordable to low and moderate income households.
- **TDR** refers to the **Transfer of Development Rights**, usually from a rural property, where less development is desirable, to an urban property, where more dense development is appropriate.

AFFORDABLE HOUSING INDICATORS**H.U.D. Median Income Levels and Housing Costs**

The table below is based on the federal Housing and Urban Development Department's income eligibility levels for housing assistance in King County in 2000. The median family income was considered to be \$65,800 for a household of four. The median for a single-person household was \$46,100. The average household size in King County was slightly less than 2.5 persons per household, so the median income of the "typical" or average-sized household was about \$55,900. Income amounts are given for 30%, 50%, 80%, 100%, and 120% of median income, and for each household size. From the income amounts it is possible to calculate what that household could afford in a monthly mortgage payment (25% of monthly income) or in monthly rent (30% of monthly income, since utility and tax costs are usually incorporated into rent). At the time of publication, the 2001 HUD Income Levels were also available, but because available sale and rental data is from 2000, we have used this table to calculate affordability during 2000.

2000 H.U.D. Income Levels by Household Size					
Percent of Median Income	One Person Household	Two Person Household	Average Household (2.5 Persons)*	Three Person Household	Four Person Household
30%	\$ 13,800	\$ 15,800	\$ 16,775	\$ 17,750	\$ 19,750
Affordable Hsg Payment***	\$ 288	\$ 329	\$ 349	\$ 370	\$ 411
Affordable Rent	\$ 345	\$ 395	\$ 419	\$ 444	\$ 494
Affordable House Price****	\$44,400	\$50,800	\$53,900	\$57,100	\$63,500
50%	\$ 23,050	\$ 26,300	\$ 27,950	\$ 29,600	\$ 32,900
Affordable Hsg Payment	\$ 480	\$ 548	\$ 582	\$ 617	\$ 685
Affordable Rent	\$ 576	\$ 658	\$ 699	\$ 740	\$ 823
Affordable House Price	\$74,100	\$84,500	\$89,900	\$95,200	\$105,800
80% **	\$ 35,150	\$ 40,150	\$ 42,675	\$ 45,200	\$ 50,200
Affordable Hsg Payment	\$ 732	\$ 836	\$ 889	\$ 942	\$ 1,046
Affordable Rent	\$ 879	\$ 1,004	\$ 1,067	\$ 1,130	\$ 1,255
Affordable House Price	\$113,000	\$129,100	\$137,200	\$145,300	\$161,400
100%	\$ 46,100	\$ 52,600	\$ 55,900	\$ 59,200	\$ 65,800
Affordable Hsg Payment	\$ 960	\$ 1,096	\$ 1,165	\$ 1,233	\$ 1,371
Affordable Rent	\$ 1,153	\$ 1,315	\$ 1,398	\$ 1,480	\$ 1,645
Affordable House Price	\$148,200	\$169,100	\$179,700	\$190,300	\$211,500
120%	\$ 55,320	\$ 63,120	\$ 67,080	\$ 71,040	\$ 78,960
Affordable Hsg Payment	\$ 1,153	\$ 1,315	\$ 1,398	\$ 1,480	\$ 1,645
Affordable Rent	\$ 1,383	\$ 1,578	\$ 1,677	\$ 1,776	\$ 1,974
Affordable House Price	\$177,800	\$202,900	\$215,600	\$228,400	\$253,800
*Since the average KC household is about 2.4 persons, this column approximates the median for all households in the County.					
**Because of the way H.U.D. calculates this income level, it is actually 76% of the Median Income rather than 80%, although it is called L80.					
***An affordable housing payment is 25% of monthly income. Affordable rent is 30% of monthly income.					
****The affordable home price is based on a 30 year fixed mortgage at 7.25% interest with 5% down.					

Outcome: Provide Sufficient Affordable Housing for all King County Residents**INDICATOR 21: Supply and Demand for Affordable Rental Housing.**

Fig. 21.1

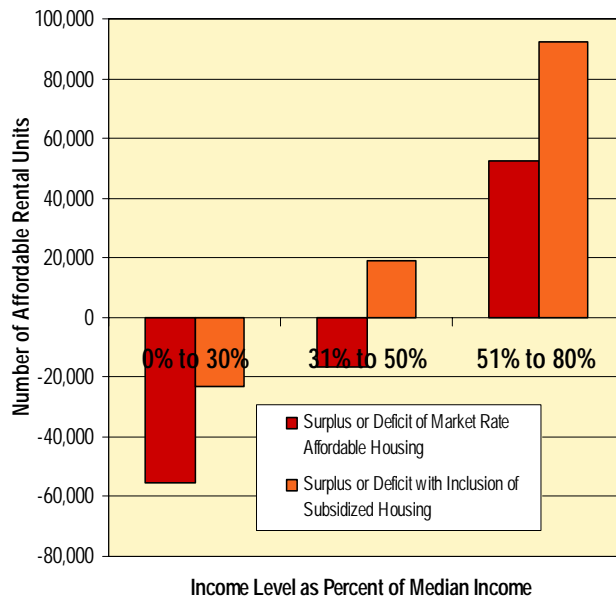
**King County: 2000 Rental Housing Supply
With and Without Subsidized Housing:**

Fig. 21.2

Low Income Housing Deficit or Surplus - 2000				
Percent of Median Income for Household of Three	Number of Renter Households in this Income Group	Number of Market Rate Units Affordable to this Income Group	Total Number of Units Affordable to this Income Group Including Subsidized Units	Cumulative Deficit or Surplus of Units with Subsidized Units Included*
0% to 30% (Under \$18,000)	55,698	475	32,475	-23,223
31% to 50% (\$18,000 - \$30,000)	48,086	86,537	90,537	19,228
51% to 80% (30,000 - \$45,000)	67,413	136,773	140,773	92,588

Notes

1. The table above includes both single family and multifamily rental units.

2. Survey data on rents is based only on market rate units. However, the 40,000 subsidized units do provide a significant portion of affordable housing opportunities in the County, particularly for those below 30% of median income. Market-rate units plus subsidized units represent the total rental housing supply in the County.
3. The "cumulative deficit or surplus" accounts for the fact that an unmet demand for rental units affordable to the lowest income group will result in those households seeking rentals in the next most affordable category. Thus, the 23,233 households that cannot find housing at the lowest income level, are added to the 30% - 50% "demand" group.

About This Indicator

- The greatest deficit in rental housing is for those who earn less than 30% of H.U.D. median income (\$17,750 for a family of three). For the 56,000 renter households at this income level there are less than 500 market-rate rental units available. A household supported by a full-time worker earning up to \$9 per hour would be in this group.
- Average rent for all multi-family units was \$819 by the fall of 2000, requiring an income of about \$33,000. This means that average-priced multifamily rentals in the County would be unaffordable to a household supported by one wage-earner making \$16.00 an hour, or two wage-earners each earning \$8.00 an hour.
- Most multi-family rental units are affordable to those households that have 80% or more of median income (\$45,200 for a family of three). A sufficient number of units are affordable to those in the 50 - 80% range, but at the low end of this income range, supply will be very scarce.

Single Family Rentals

- Less than 10% of single-family rental houses are affordable to those with incomes below 50% of the median (\$23,000 - \$33,000).
- About 70% of all single family rentals cost \$1,000 or more to rent. At this cost they are unaffordable to households earning less than \$40,000 per year.

AFFORDABLE HOUSING INDICATORS**INDICATOR 21:***(continued from previous page)**Background Profile of Rental Market*

- The universe of renters and the universe of owners are distinct. Half of renter households earn less than 67% of the median income for their household size. An adequate supply of affordable rental housing is particularly crucial for low income households.

Fig. 21.3

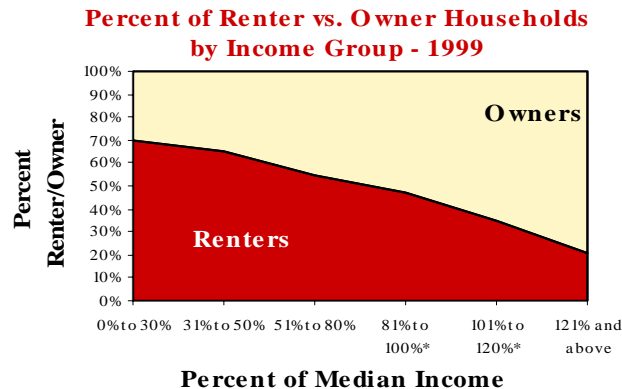
**For Comparison**

Fig. 21.4



- The deficit in rental housing affordable to the lowest income group has not improved over the last three years.
- Although more subsidized units have been added each year, the combined supply of market-rate and subsidized units has not kept pace with the growth in population at this income level.

What We Are Doing

- Adding from 1000 to 1500 new long-term affordable housing units to the housing stock each year through a combination of local, federal, and private funds.
- Incorporating affordable housing in Master Planned Developments such as Snoqualmie Ridge, Redmond Ridge, and the Issaquah Highlands.
- Supporting partnerships between the County and jurisdictions in developing surplus property for affordable housing. For example, the City of Woodinville and King County are helping to bring over 100 units of low-income housing to a Woodinville site formerly owned by the County. In addition, several surplus properties are being developed for affordable housing in downtown Seattle in partnership with the County.
- Permitting accessory dwelling units (ADUs) in urban and suburban neighborhoods.
- Incorporating affordable units within transit-oriented developments (T.O.D.), such as the Overlake Park and Ride site.
- Setting affordable housing targets to assure an equitable distribution of housing for low-income households (under 50% of median and 50 – 80% of median) throughout the County. (See Indicator 29).

Data Sources: The primary source for this data is the 2000 Dupre + Scott study, King County Rental Housing Affordability. The rental data was gathered by survey and therefore does not represent a 100% count of the housing in King County. The sample is approximately 73% of all complexes with more than 20 units. For buildings with 2 to 20 units, the sample size is approximately 9%. For single family homes the sample is 3.4%.

Other sources include: 1990 U.S. Census; H.U.D. income eligibility data; Department of Development and Environmental Services; and King County Assessor's data. The Comprehensive Housing Affordability Strategy (CHAS) Databook, 1990, also published by H.U.D., is the source for the number and percent of renter and owner households by income group.

Information on subsidized housing was obtained from the Seattle Office of Housing and from the King County Housing and Community Development (DCHS). Exact data on the number of subsidized units occupied by various low-income groups is not available. It is estimated that about 80% of subsidized housing is occupied by households under 30% of median income.

Policy Rationale: The policy rationale stems from Countywide Planning Policies FW-28, AH-1, 2, 3, & 5, which recognize the importance of existing and new affordable housing to meet housing needs for all income groups. The Indicator will track the incremental changes in the supply and proportion of rental units affordable to different income groups.

*Outcome: Provide Sufficient Affordable Housing for all King County Residents***INDICATOR 22: Percent of Income Paid for Housing.**

Fig. 22.1

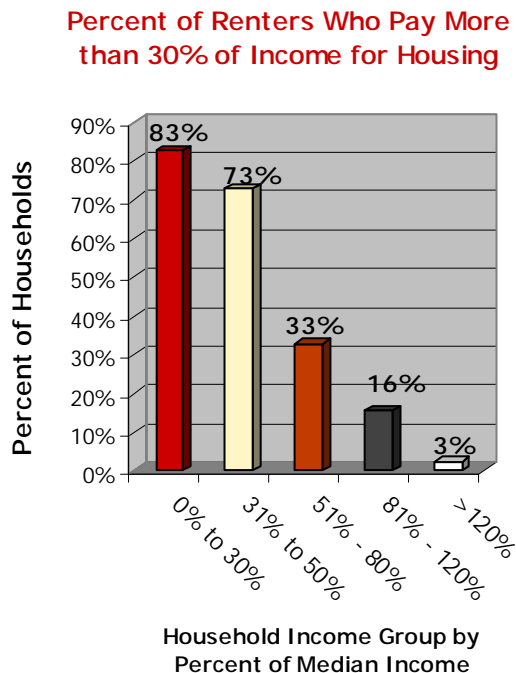
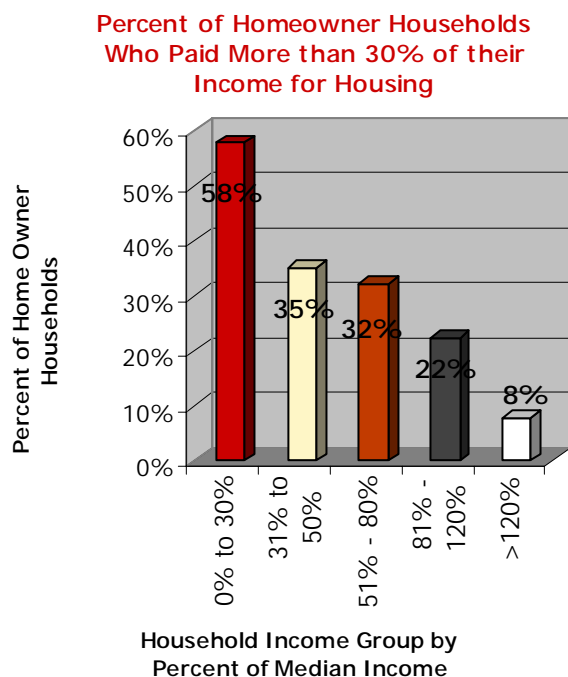


Fig. 22.2

**About This Indicator**

- The lower a household's income, the more likely it is to pay a higher percentage of its income for housing costs. This is true for renters as well as homeowners.
- When low income families pay more than 30% of their income for housing, resources are often diverted from other essentials -- clothing, food and utilities. These households may also be at greater risk of homelessness.
- Almost 80% of *renter* households in the two lowest income categories (less than 50% of median household income) paid more than a third of their income to housing costs in 1990. Low income renters are especially vulnerable to high housing costs. They have no protection from rising monthly rents and build no equity in their homes.
- In 1990, 45% of *homeowner* households in the two lowest income categories paid more than a third of their income for housing costs.

What We Are Doing

- Helping preserve and rehabilitate existing affordable housing through housing repair, housing acquisition and weatherization programs.
- Providing density bonuses and fee waivers to support affordable housing development at locations such as the Habitat for Humanity's Coal Creek Terrace Townhomes where permit and impact fees were waived to help develop 12 units of affordable ownership for very low-income households.

Data Sources: 1990 Census of Housing, Detailed Housing Characteristics, State of Washington, U.S. Census Bureau. 2000 Census data for this Indicator will not be available until spring or summer of 2002.

Policy Rationale: The Policy rationale stems from Countywide Planning Policies AH-1, AH-2, AH-5 and AH-6, which reflect goals for meeting the housing needs of all income categories with particular emphasis on low and moderate income households' housing needs. This Indicator provides a picture of households at risk of losing their housing because they are "overpaying" what the typical household can afford for housing expenses. This Indicator points to "housing distress" in the County, particularly for moderate- and low-income households. By contrast, the Indicator also illustrates that upper income households typically pay a much lower percentage of income for housing costs.

Outcome: Provide Sufficient Affordable Housing for all King County Residents

INDICATOR 23: Homelessness



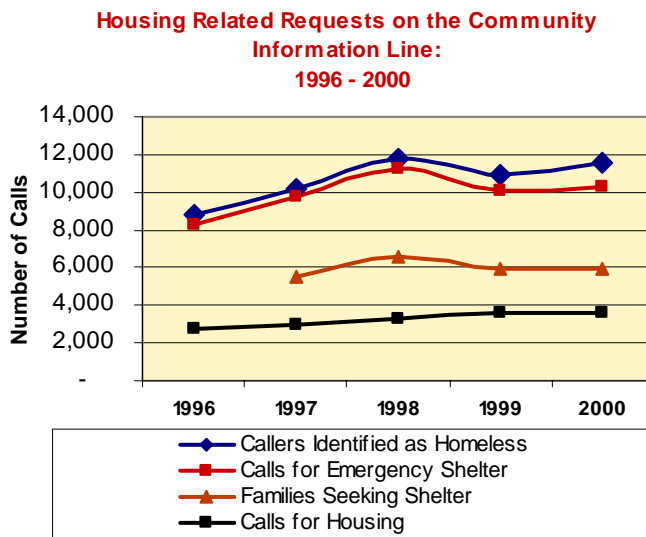
Fig. 23.1

Estimated Number and Percent of Persons who are Homeless	
Year 2000	6,500
This is equal to nearly .4% percent of the County's population or 4 persons out of every 1000 persons	

About This Indicator

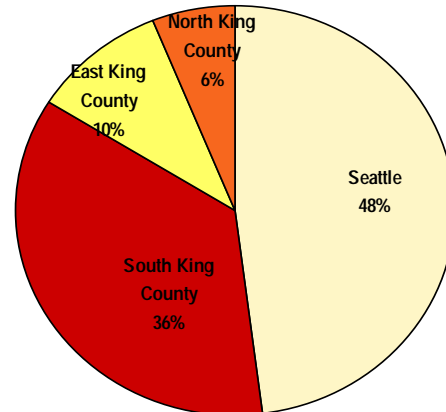
- Existing estimates of total persons homeless in King County are in the range of 6,500 on any given night; this number includes approximately 4,500 persons in shelters or transitional housing, unsheltered persons in Seattle, and unsheltered persons outside of Seattle.
- The unsheltered population that is dispersed outside Seattle is the least documented segment of the homeless population. Policy makers use this number as a minimum, rather than as an estimate of the magnitude of the problem.

Fig. 23.2



- The Clinic's Community Information Line is a key referral source for homeless people and is often the first point of contact for homeless persons seeking assistance. From 1996-2000, the Clinic experienced a 20% increase in callers seeking emergency shelter.

Geographic Distribution of Calls to the Community Information Line



- A major obstacle for finding permanent housing for homeless is the high cost of moving into a rental unit. An \$840 apartment (average rent of all units in the county) typically requires the first and last month's rent plus a security deposit to move in. Without financial assistance, a homeless person or family would need to save roughly \$2,000 to move into this apartment.

What We Are Doing

- Providing operating support to transitional housing programs and rental assistance to homeless families with children, using funds from a state grant. In 2000, these funds housed over 230 homeless families for up to 12 months.
- Providing emergency shelter in King County outside Seattle. \$498,000 in federal and state funds helped to shelter 2,218 homeless households for 83,675 bed nights.
- Supporting transitional housing operations and homeless shelters, offering legal assistance, and providing services such as health care, to homeless families and individuals with \$734,000 in general funds.

Data Sources: King County Department of Community and Human Services, City of Seattle Human Services Department and Office of Housing, Crisis Clinic, and Seattle-King County Coalition for the Homeless Annual One Night Survey, 1999. King County Rental Housing Affordability, May 2000.

Policy Rationale: The policy rationale stems from Countywide Planning Policy AH-2, regarding planning for low-income housing for households earning less than 50% of the King County median income. This Indicator should reflect changes in the size of the homeless population over time. Most homeless people have extremely low incomes, typically below 30% of the King County median income.

AFFORDABLE HOUSING INDICATORS***Outcome: Increase Affordable Home Ownership Opportunities***

INDICATOR 24: Home purchase affordability gap for buyers with a) 80% of median household income (typical first-time buyer); and (b) median household income.



Fig. 24.1

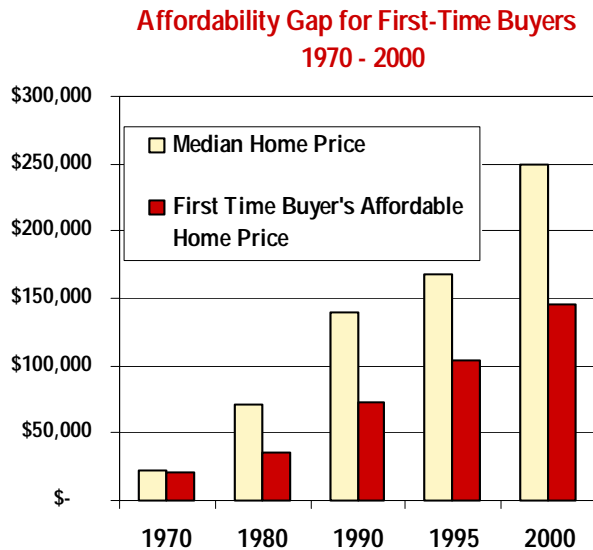
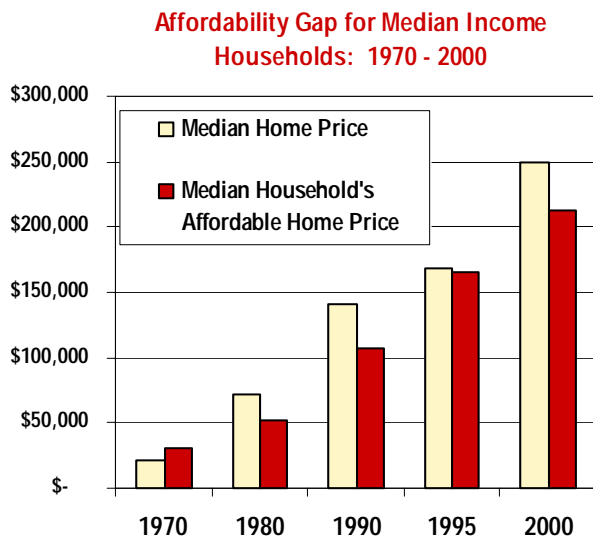


Fig. 24.2

**Notes:**

1. First-time buyers are assumed to use the low down payment financing available for first-time buyers (Fig. 24.1). Conventional financing with 20% down was assumed for the median household (Fig. 24.2). See the chart of 2000 H.U.D. income levels at the beginning of this chapter.
2. The prices on the graphs are for single family homes, and do not include condominiums. Attached townhomes are included with single family homes if the townhomes are built on separate plots. They are considered condominiums if the land is owned jointly by a condominium or home-owners association.

About the Indicator

- In 2000, the affordability gap for first-time buyers was \$110,000. For a median-income household, the affordability gap was about \$37,000. The affordability gap is the difference between the price that the buyer can afford to pay, and the median price of single family homes on the market.
- In 1970, the median income household could afford more than the cost of a median-priced single family home. However, since 1980 the affordability gap has been growing, particularly for the first-time buyer. Low interest rates in 1995 lessened the gap temporarily.
- In 2000 a typical first-time buyer, at 80% of median income, earned about \$42,675. With a 5% down payment, that household could afford a home priced no more than \$140,000. The median price of a single family home in 2000 was \$250,000.
- In 2000 the median-income household earned about \$55,900. With a 20% down payment, that household could afford a home priced around \$213,000.
- The median price of condominiums in 2000 was \$160,000. The median home price for both single-family and condos was \$233,000.
- Only 17.6% of all home sales in King County in 2000 (both single family and condo) were affordable to households earning 80% of median income or less, despite relatively low interest rates and rising incomes.
- In King County in 2000 even the median-priced condominium, at \$160,000, was out of reach for those earning 80% of median income. Only about 40% of condominiums are affordable to first-time buyers.
- 82% of condominiums are two bedrooms or less, making them primarily a choice for singles, young couples, or "empty nesters".

AFFORDABLE HOUSING INDICATORS**INDICATOR 24:***(continued from previous page)*

- The fast-paced housing market in King County showed signs of slowing in 2000 and early 2001 due to several factors. The local economic boom was being tempered by declining values of technology stocks and stock options, and by layoffs in the dot.com and aerospace industries. At the same time a generous supply of recently-permitted units were coming onto the market. Interest rates fell slightly at the end of 2000 and the beginning of 2001, but they may not have fallen enough to significantly affect affordability.

For Comparison

- As a region, the cost of housing in the West is higher than the rest of the United States. The Seattle-Bellevue-Everett metropolitan area ranks in the middle (24th) out of 47 cities in the West in terms of affordability of its housing. It is more affordable than cities such as San Diego, San Francisco, Flagstaff, and Oakland.
- In terms of the 1999 median price of homes, the Seattle-Bellevue-Everett metropolitan area ranked fourth out of nine major western cities.

What We Are Doing

- Helping create affordable ownership opportunities for low-income, moderate and median income households through programs such as Surplus Property Development, Impact Fee Waivers, Master Planned Developments and Density Bonuses.
- Supporting ownership by providing homebuyer assistance for low-income households including financial assistance as well as information, counseling, and referral.
- Encouraging – as well as zoning for - a wide variety of housing choices within Urban Growth Areas, including accessory dwelling units, manufactured homes, cottage housing and townhouses. Allowing more dense and mixed-use development in appropriate areas.

- Providing density bonuses and fee waivers to support affordable housing development at locations such as the Habitat for Humanity's Coal Creek Terrace Townhomes where permit and impact fees were waived by King County and Newcastle to help develop 12 units of affordable ownership for very low-income households.
- Promoting innovative design that integrates efficient land use and more land and energy-efficient housing styles. Examples include attached housing, which is allowed as a permitted use in all urban residential zones in Unincorporated King County and clustering of housing where sensitive areas might prevent developers from reaching zoned densities.
- Revitalizing existing neighborhoods through redevelopment. Helping preserve and rehabilitate existing affordable housing through housing repair, housing acquisition, and weatherization programs.
- Promoting measures which can reduce processing time for platting and permitting, and lower some land development costs.

Data Sources: For conventional interest rates, the Summary of U.S. Housing Market Conditions published by H.U.D. and available at <http://huduser.org>. For median household income in King and Snohomish County, H.U.D. income levels by household size, also available at <http://huduser.org/datasets>. For median prices of single family homes and condos sold in 2000, and for the percent of homes for sale at various affordability levels, the database of the Northwest Multiple Listing Service. For comparison of affordability throughout the Western U.S., the Housing Opportunity Index, published by the National Association of Home Builders (NAHB), 2nd Quarter, 2000.

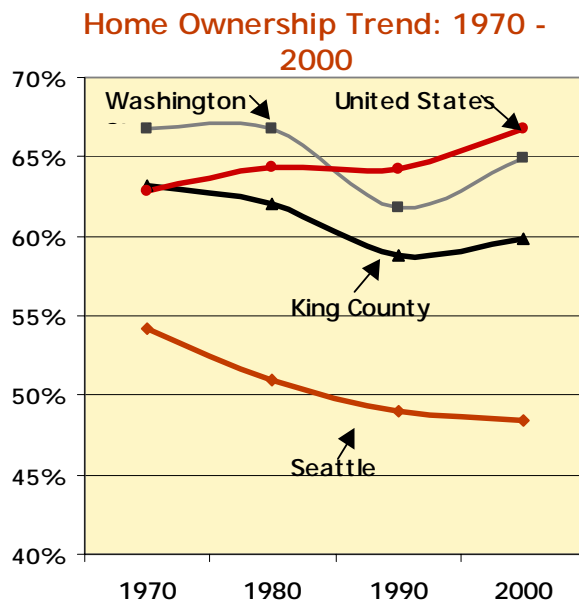
Policy Rationale: The policy rationale stems from Countywide Planning Policy AH-1, which requires jurisdictions to plan for the housing needs of all residents. This Indicator looks specifically at households earning the median renter household income and their ability to find affordable home ownership opportunities.

AFFORDABLE HOUSING INDICATORS*Outcome: Promote Affordable Home Ownership Opportunities***INDICATOR 25: Home Ownership Rate.**

Fig. 25.1

Home Ownership Rate						
Year	1970	1980	1990	97-'98	98-'99	2000
King County (overall)	63%	62%	59%	59%	59%	60%
Seattle	54%	51%	49%	48%	48%	48%
Washington State	67%	67%	62%	63%	65%	65%
United States	63%	64%	64%	66%	67%	67%
Inside Metropolitan Areas in the U.S.				64%	65%	

Fig. 25.2

**About This Indicator**

- The home ownership rate in King County rose exactly 1% during the 1990s. This is a very modest increase during a period when home ownership rates in Washington State and throughout the United States have risen significantly.
- Affordability is an important factor influencing the home ownership rate; affordability in turn is influenced by many factors including current supply, the state of the regional economy,

interest rates, land values, costs of labor and materials for new construction, and market practices (banking requirements such as loan-to-value ratios and other lending criteria).

- The rising cost of home ownership in King County was somewhat offset by higher incomes and the availability of relatively low interest rates during the second half of the decade. Interest rates fell between the end of 1999 and the end of 2000, but home prices continued to climb, making affordable home ownership opportunities more abundant in the neighboring counties than in King County.
- About 20% of new multifamily units are intended to be condominiums. Of these condo units about 80% will be owner-occupied.

For Comparison

- The national home ownership policy goal has been a 67% home ownership rate. In 1999 it reached that goal.
- In 1997, the home ownership rate in 75 metropolitan areas was 63.7%. In the Seattle-Bellevue-Everett MSA (including all of King, Snohomish, and Island Counties) it was 63%. The Portland-Vancouver MSA's ownership rate was 61.1%. Salt Lake City's was 74.3%, Denver's was 67.5%. Comparison among metropolitan areas is difficult because the amount of suburban rural area that is included varies widely.
- In 1999 San Francisco's ownership rate was 48.8% while the City of Seattle's was 48.4%.

Home Ownership at the Sub-Regional Level

- Fig. 25.3 and the map below show the rate of home ownership in King County jurisdictions in 2000.
- Generally speaking, the rate of home ownership is highest in the less densely populated areas where single-family homes dominate. Areas with ownership rates of 80% or more include unincorporated King County, especially areas along the Urban Growth Boundary, outlying cities such as Milton, Covington, Maple Valley, Black Diamond, Duvall, and Sammamish, and the five "point" cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, and Yarrow Point.

AFFORDABLE HOUSING INDICATORS

Fig. 25.3

Home Ownership Rates in King County Jurisdictions - 2000	
<i>King County Average = 59.8%</i>	
<i>Below County Average</i>	
Kent	42.0%
Tukwila	42.6%
Seattle	48.4%
Renton	48.7%
Auburn	52.3%
Issaquah	52.9%
Burien	54.5%
SeaTac	55.0%
Redmond	56.1%
DesMoines	57.5%
<i>Close to County Average</i>	
Snoqualmie	58.0%
Pacific	58.1%
Federal Way	58.2%
Bellevue	58.7%
Kirkland	59.4%
North Bend	60.3%
<i>Above County Average</i>	
Woodinville	62.2%
Skykomish	63.4%
Enumclaw	63.5%
Bothell	64.3%
Shoreline	68.2%
Normandy Pk	69.2%
Carnation	71.4%
Algona	74.5%
Newcastle	74.5%
Kenmore	76.8%
Mercer Island	78.6%
Lake Forest Pk	79.2%
<i>Very High Ownership Rate</i>	
Uninc, King County	80.0%
Sammamish	83.4%
Medina	83.5%
Covington	83.9%
Hunts' Point	85.4%
Black Diamond	85.7%
Duvall	86.1%
Maple Valley	88.0%
Yarrow Point	89.6%
Milton	91.0%
Clyde Hill	94.6%
Beaux Arts	96.6%

INDICATOR 25:*(continued from previous page)*

- The north end cities of Shoreline, Lake Forest Park, Kenmore, and Bothell, as well as Mercer Island, Newcastle, Carnation, Enumclaw, Normandy Park, and Algona have ownership rates in the 62% – 80% range.
- The lowest home ownership rates are in Kent, Tukwila, Seattle and Renton, with rates less than 48%. These cities have a combination of a high number of multifamily dwellings and a higher than average percent of single-family rentals.
- Auburn and Issaquah have rates around 52%. Burien, SeaTac, and Redmond, also have home ownership rates below the County average of 59.0%.

What We Are Doing

- Helping to create affordable ownership opportunities for low-income, moderate and median income households through programs such as Surplus Property Development, Impact Fee Waivers, Master Planned Developments and Density Bonuses.
- Supporting ownership by providing homebuyer assistance for low-income households including financial assistance as well as information, counseling and referral.
- Encouraging and zoning for a wide variety of housing choices within the Urban Growth Areas, and allowing more dense development in appropriate areas. Promoting innovative design that integrates efficient land use and more land- and energy-efficient housing styles.
- Revitalizing existing neighborhoods through redevelopment.
- Promoting measures which can reduce processing time for platting and permitting, and lower some land development costs.

Data Sources: U. S. Census, General Housing Characteristics, Washington, 1980. U.S. Census, Summary Social, Economic, and Housing Characteristics, Washington, 1990. U.S. Census 2000. The 1997 estimates for the metropolitan statistical areas are available at www.census.gov/hhes/housing. The 1999 housing unit information from the King County Assessor's Office, and an update of 1990 census data based on 1990 – 1999 permit data, provides the basis for the map on the preceding page.

Policy Rationale: The policy rationale stems from Countywide Planning Policy AH-6. Home ownership has traditionally indicated the relative health and stability of the community. However, home ownership rates have been declining for younger families and households for the last decade. This Indicator will also measure home ownership rates in comparison to other Western Washington counties.

AFFORDABLE HOUSING INDICATORS



See Rate of Home Ownership in King County Map at:

<http://www.metrokc.gov/exec/orpp/benchmrk/bench01/01hmownrt.pdf>



See Single Family and Condominium Sales in King County in 2000 – By Sale Price Map at:

http://www.metrokc.gov/exec/orpp/benchmrk/bench01/01sf-cond_sls.pdf

AFFORDABLE HOUSING INDICATORS**Outcome: Provide Sufficient Affordable Housing for All King County Residents****INDICATOR 26: Apartment vacancy rate.**

Fig. 26.1

Average Apartment Vacancy Rates in King County Subareas					
	North	South	East	Rural	County
1994	4.5%	7.5%	4.1%	5.1%	5.8%
1995	3.6%	6.7%	3.3%	7.2%	5.0%
1996	2.7%	5.9%	2.6%	7.2%	4.3%
1997	1.8%	3.7%	2.8%	2.6%	2.8%
1998	1.8%	3.8%	3.6%	2.2%	3.3%
1999	2.4%	4.6%	4.1%	3.9%	3.9%
2000	2.3%	4.1%	3.7%	2.2%	3.6%

Notes:

1. The North subarea is predominantly Seattle, but also includes Lake Forest Park and the City of Shoreline. The East subarea runs from Kenmore to Newcastle and Issaquah and includes the rural cities of Carnation, Duvall, Snoqualmie, and North Bend.
2. All areas south of Seattle and Newcastle are part of the South subarea, with the exception of the Rural subarea, which consists of Enumclaw, Black Diamond, and southeast unincorporated areas.

About This Indicator

- King County's average vacancy rate fell slightly to 3.6% in 2000. After showing a downward trend from 1994 – 1997, it had risen to 3.9% in 1999.

- Vacancy rates declined moderately in all subareas from 1999 to 2000. Vacancy rates vary widely across King County sub-regions
- Rental vacancy rates are influenced by the availability of housing stock, and measure the capacity to accommodate household demand. Low vacancy rates suggest high demand for new units and upward pressure on rents. High rates suggest excess capacity and downward pressure on rents. A vacancy rate of 5% is generally regarded as a normal market rate. Lower rates indicate that there are fewer units available.
- Although vacancy rates improved in 1998 and 1999, the 2000 vacancy rates are still considerably below the normal market level, and indicate that growth in demand continues to outpace growth in supply.

Data Sources: Rental vacancy rates by sub-areas are based on a twice yearly survey of apartment properties with more than 20 units, by Dupre + Scott, Inc., published in The Seattle-Everett Real Estate Research Report, Vol. 51, 1 and 2. The reported sub-areas have been aggregated into larger sub-areas, and their vacancy rates have been averaged over the two semi-annual survey periods.

Policy Rationale: This Indicator is not specifically required by the Countywide Planning Policies, however, Policy AH-6 calls for a 5-year evaluation of achievement of countywide and local goals for housing taking into consideration market factors. Vacancy rates indicate capacity to accommodate household demand, which influences the rate at which rents rise.

Outcome: Promote Affordable Home Ownership Opportunities**INDICATOR 27: Trend of housing costs vs. income.**

Fig. 27.1

Rate of Increase in Income and Median Home Price: 1990 - 2000				
Year	Median Household Income	Yearly Percent Increase in Median HH Income	Median SF Home Price	Yearly Percent Increase in Median SF Home Price
1990	\$ 36,200		\$ 140,000	
1992	\$ 37,500	1.8%	\$ 148,000	2.9%
1994	\$ 42,850	7.1%	\$ 161,000	4.4%
1996	\$ 44,900	2.4%	\$ 174,300	4.1%
1998	\$ 50,150	5.8%	\$ 215,000	11.7%
2000	\$ 55,900	5.1%	\$ 250,000	8.7%
1990 - 2000 Rate of Increase (Annual Avg.)		4.4%		6.0%

Notes:

1. The yearly percent increase is an annualized rate based on the increase over a two year period.
2. The median SF home price is for detached single family homes in King County. It does not include condos.

About This Indicator

- The median price for a single family home was \$250,000 in 2000. The median price for condos was \$160,000. House prices increased much more dramatically than median household income from 1995 to 2000. (Fig. 27.1 and 27.2) Increases in average rent have correlated more closely with changes in median income. (Fig. 27.3 and 27.4).

AFFORDABLE HOUSING INDICATORS**INDICATOR 27:***(continued from previous page)*

Fig. 27.2

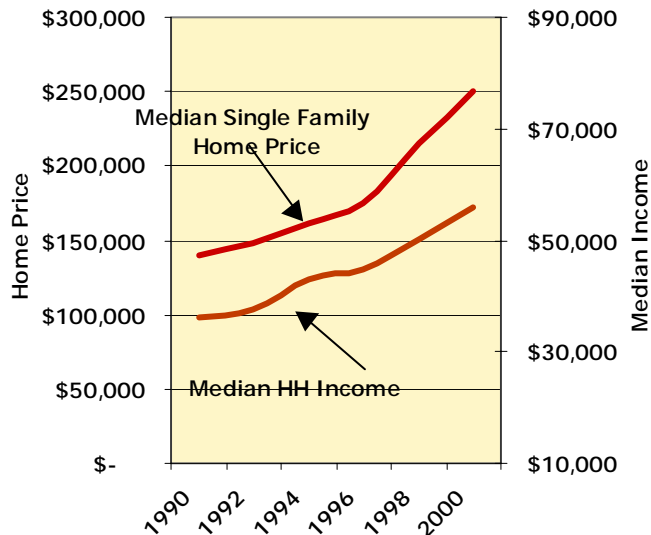
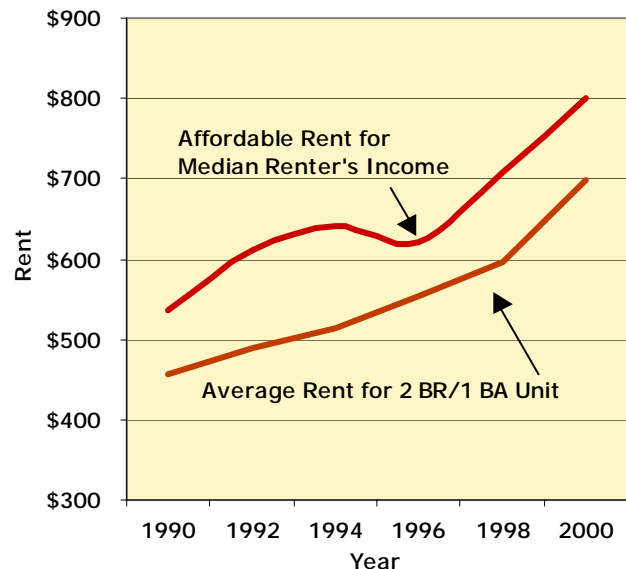
Median Household Income in Relation to Single Family Home Price

Fig. 27.3

Rate of Increase in Income and Average Rent: 1990 - 2000

Year	Median Household Income	Yearly Percent Increase in Median HH Income	2 BR / 1 BA Average Rent	Yearly Percent Increase in Rent for 2 BR/1BA Apt.
1990	\$ 36,200		\$ 537	
1992	\$ 37,500	1.8%	\$ 610	6.8%
1994	\$ 42,850	7.1%	\$ 642	2.6%
1996	\$ 44,900	2.4%	\$ 622	-1.6%
1998	\$ 50,150	5.8%	\$ 708	6.9%
2000	\$ 55,900	5.1%	\$ 800	6.0%
1990 - 2000 Rate of Increase (Annual Avg.)		4.4%		4.1%

Fig. 27.4

Average Rent in Relation to Median Renter's Affordable Rent

Research Report and 1997 Review and Highlights/Northwest Multiple Listing Service.

Policy Rationale: The policy rationale stems from Countywide Planning Policies AH-2 and AH-6. This Indicator measures how quickly housing costs are increasing, and compares it to the rate of increase in median household income.

- The rising trend in home prices has begun to reverse itself in 2001 as the economy cools. The median home price was down about 2.5% during the first quarter of 2001.
- Average rent for a two bedroom, 1 bathroom apartment in King County was \$800 in 2000, up 6% from 1999. For a median renter income (67% of County median income), affordable rent in 2000 was \$938. In 2000, by this measure a household with a median renter income could comfortably afford an average two bedroom apartment. However, households of more than two to three are likely to require a larger unit at a higher median rent.
- Rent for three bedroom, two bath units averaged \$1,046 in 1999, and for a single family rental the average was nearly \$1,200. Few renter households could afford these units.

For Comparison

- In December 2000, the average home price (single family and condos) in King County was 56% higher than in Pierce County and 21% higher than in Snohomish County. But home prices are increasing more rapidly in those counties than in King County.
- Although home prices have risen rapidly during the last half of the 1990s, single family home prices realized their largest gains from 1985 – 1990, with an annual average increase of 12.5% per year.

AFFORDABLE HOUSING INDICATORS

Outcome: Promote Equitable Distribution of Affordable Low-Income Housing throughout King County.

INDICATOR 28: Public dollars spent for low income housing.

Fig. 28.1

Local Public Dollars Spent for Low Income Housing	
1996	\$21,073,042
1997	\$24,991,309
1998	\$19,350,912
1999	\$21,839,360
2000	\$19,997,972

Notes:

1. Local public dollars are defined as funds that are controlled at the individual jurisdiction level such as bonds, levies, each jurisdiction's general funds, and any in-kind contribution that can be quantified such as a waiver of fees or donation of land. Local bond funds are only reported in the year the bonds are issued. For the most part, federal and state funds are not included. However, federal Community Development Block Grant funds spent on housing are counted for King County Consortium "pass through" cities, for Seattle, and for King County. The \$19,182,472 figure above only includes local public dollars allocated to the new construction, rehabilitation, and/or preservation of housing with long-term affordability provisions.
2. A preserved unit differs from a rehabilitated unit. It is an existing unit of housing which is required to remain or to become affordable for a specific period of time. A rehabilitated unit refers to repair or restoration of existing affordable housing. However, for many rehabilitated units there is no guarantee of long term affordability; therefore, such units do not necessarily increase the existing stock of affordable housing.
3. Funds used for operating subsidies or temporary shelter are not included in the figure above. See Fig. 28.3 for those and other types of contributions that are made by the cities.
4. Renton, Seattle, King County, and the Muckleshoot Tribe also have housing authorities. Housing Authorities' expenditures are not represented in the total above.
5. "Pass-through" cities, Seattle, and King County have local discretion whether to spend CDBG funds on housing rather than other eligible capital expenditures such as parks.
6. The King County CDBG funds also include money allocated on behalf of small cities. These cities do not receive their own CDBG funds.

Fig. 28.2

2000 Affordable Housing Supported with Local Public Dollars				
City	CDBG	CDBG	Local Funds	Total
	New Units	Rehabed Units	New & Rehabed	
Algona	\$0	\$0	\$0	\$0
Auburn	\$0	\$264,493	\$0	\$264,493
Beaux Arts	\$0	\$0	\$0	\$0
Bellevue	\$0	\$187,500	\$1,280,000	\$1,467,500
Black Diamond	\$0	\$0	\$0	\$0
Bothell	\$40,000	\$12,750	\$0	\$52,750
Burien	\$0	\$25,500	\$0	\$25,500
Carnation	\$0	\$0	\$0	\$0
Clyde Hill	\$0	\$0	\$10,000	\$10,000
Covington	\$0	\$37,697	\$0	\$37,697
Des Moines	\$0	\$12,750	\$0	\$12,750
Duvall	\$0	\$0	\$0	\$0
Enumclaw	\$0	\$22,387	\$0	\$22,387
Federal Way	\$255,000	\$119,000	\$0	\$374,000
Hunts' Point	\$0	\$0	\$0	\$0
Issaquah	\$30,000	\$0	\$0	\$30,000
Kenmore	\$0	\$0	\$0	\$0
Kent	\$130,000	\$253,916	\$0	\$383,916
Kirkland	\$193,525	\$28,900	\$62,000	\$284,425
Lake Forest Pk	\$0	\$16,310	\$0	\$16,310
Maple Valley	\$0	\$0	\$0	\$0
Medina	\$0	\$0	\$14,805	\$14,805
Mercer Island	\$35,063	\$0	\$10,954	\$46,017
Milton	\$0	\$0	\$0	\$0
Newcastle	\$0	\$0	\$47,000	\$47,000
Normandy Pk	\$0	\$0	\$0	\$0
North Bend	\$0	\$0	\$0	\$0
Pacific	\$0	\$0	\$0	\$0
Redmond	\$91,876	\$29,750	\$527,000	\$648,626
Renton	\$28,000	\$166,500	\$0	\$194,500
Sammamish	\$0	\$0	\$0	\$0
SeaTac	\$0	\$115,250	\$0	\$115,250
Seattle	\$1,163,863	\$1,537,464	\$7,949,827	\$10,651,154
Shoreline	\$32,410	\$62,900	\$0	\$95,310
Skykomish	\$0	\$0	\$0	\$0
Snoqualmie	\$0	\$0	\$16,433	\$16,433
Tukwila	\$75,000	\$109,500	\$0	\$184,500
Uninc. King Cty	\$480,407	\$850,000	\$3,664,757	\$4,995,164
Woodinville	\$0	\$0	\$5,485	\$5,485
Yarrow Point	\$0	\$0	\$2,000	\$2,000
Grand Total	\$2,555,144	\$3,852,567	\$13,590,261	\$19,997,972

AFFORDABLE HOUSING INDICATORS**INDICATOR 28:***(continued from previous page)***About This Indicator**

- In 2000, King County jurisdictions committed approximately \$20 million toward affordable housing for King County citizens who earn below 80% of the median income. This is about 8% lower than in 1999.
- These local dollars provide the bulk of public funding for long-term low income housing in King County. In addition to funds listed in Fig. 28.1, other federal dollars, local fee waivers and private funds were also dedicated towards affordable housing development.
- King County and the suburban cities, approximately **554** new low-income housing units were funded with the help of local public dollars.
- In Seattle, local and federal dollars leveraged private dollars at over a 2:1 ratio to create **586** low-income rental units.
- Almost **650** affordable units were supported through regulatory actions taken by jurisdictions (See Fig. 28.3). A variety of jurisdictions also supported Housing Repair, Operating Subsidies (for emergency and transitional housing) and ADUs to provide additional support for housing affordability.
- Other affordable units have also been created or preserved by the federal housing authorities and by other sources.

Notes on Other Contributions:

- In addition to Fig. 28.3 notes, approximately \$1.75 million in City of Seattle funds were used to create or acquire 69 units for low-income households through the Home-Buyer Assistance Program. An additional \$2.1 million dollars were spent in Seattle to weatherize 1,220 units, while applications were received for 164 affordable units (of 327 total) through the Tax Exemption Program.
- In addition to Fig. 28.3 notes, 24 affordable single family units were acquired through the First Home Program of King County. King County allocated \$100,000 to housing repair for special needs facilities.
- Approximately \$13.6 million in local funds were allocated for affordable housing development. Of this total, \$5.65 million were dedicated by King County and suburban jurisdictions while Seattle allocated about \$7.95 million.
- About \$6.4 million in CDBG funds were allocated by local jurisdictions with \$3.85 million from Seattle and \$2.55 from King County and suburban cities.
- In addition to funds listed in Fig. 28.2, Fig. 28.3 and previous notes, Federal HOME funds provided \$5.6 million for affordable housing with \$2.4 million allocated by the City of Seattle and \$3.2 million allocated by King County and suburban cities. Other public funds such as HOPWA, McKinney, etc. as well as private dollars were also allocated towards affordable housing development. Seattle allocated \$13.65 million from these other public

fund sources and determined that \$42 million in private sector dollars were used to support affordable housing development. A comparable summary of these additional fund sources is not available for affordable housing projects in King County and suburban jurisdictions.

Fig. 28.3

Special Contributions by Jurisdictions					
	Units Repaired*	Dollars for Operating Subsidies	ADU's Permitted	Regulatory Actions to Encourage Low Income Housing	Affordable Units Supported by Regulatory Actions
Auburn	84	\$24,340	0	ADUs	
Bellevue	35	\$205,352	6	Density Bonuses	9
Bothell	7	\$47,670	0		
Burien	7	\$0	0		
Clyde Hill	0	\$4,200	1		
Covington	5	\$0	0		
Des Moines	9	\$0	0	Upzoning	
Enumclaw	3	\$0	0		
Federal Way	18	\$42,000	1	Zoning Allowances	3
Issaquah	1	\$34,100	0		
Kenmore	0	\$0	4		
Kent	97	\$95,000	0		
Kirkland	4	\$119,357	2		
Lake Forest Pk	2	\$0	0		
Newcastle	0	\$50,447	0	Fee Waivers (\$22,955)	12
Mercer Island	3	\$0	12		
Redmond	5	\$76,245	1	Fee Waivers (\$373,266)	300
Renton	165	\$8,100	0		
SeaTac	69	\$0	0		
Seattle (see Note 1)	99	\$753,441	60	(1) Density Bonus (2) TDR	(1) 20, (2) 50
Snoqualmie	0	\$0	0	(1) MPD (2) Fee Waiver (\$16,433)	(1) 44 (2) 50
Shoreline	24	\$0	0		
Tukwila	70	\$21,000	0	Zoning Allowance	6
Uninc. King Cty. (see Note 2)	6	\$570,378	16	(1) MPD (2) Fee Waiver (\$7,128)	(1) 100 (2) See units listed for Newcastle Fee Waiver
Woodinville	0	\$16,000	0	Fee Waivers (\$59,070)	50
Total	713	\$2,067,630	103		644

* Home repair was limited in 2000 due to implementation of lead-based paint regulations.

Data Source: King County DCHS, Div. Of Housing and Community Development. A.R.C.H., and data from King County cities on affordable housing expenditures.

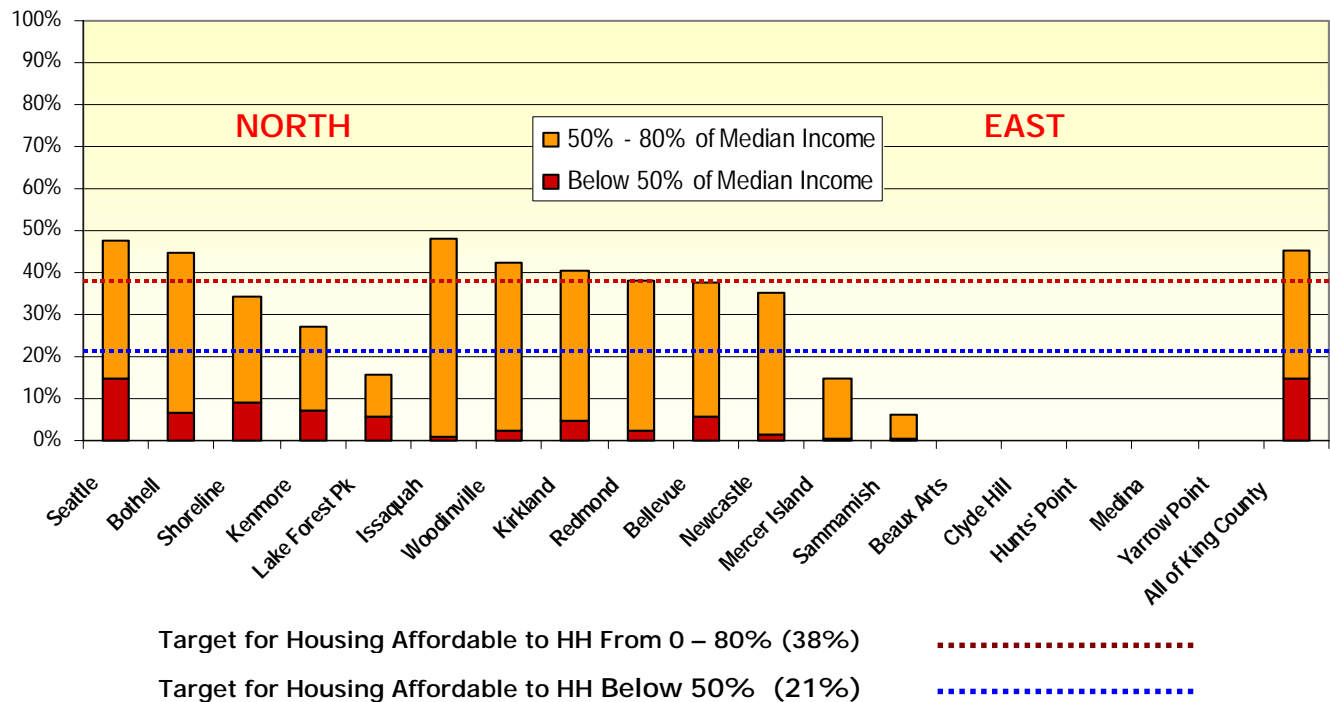
Policy Rationale: Countywide Planning Policy AH-6 calls for the Growth Management Planning Council (GMPC) or its successor to evaluate every five years the achievement of countywide and local goals for housing for all economic segments of the population.

AFFORDABLE HOUSING INDICATORS

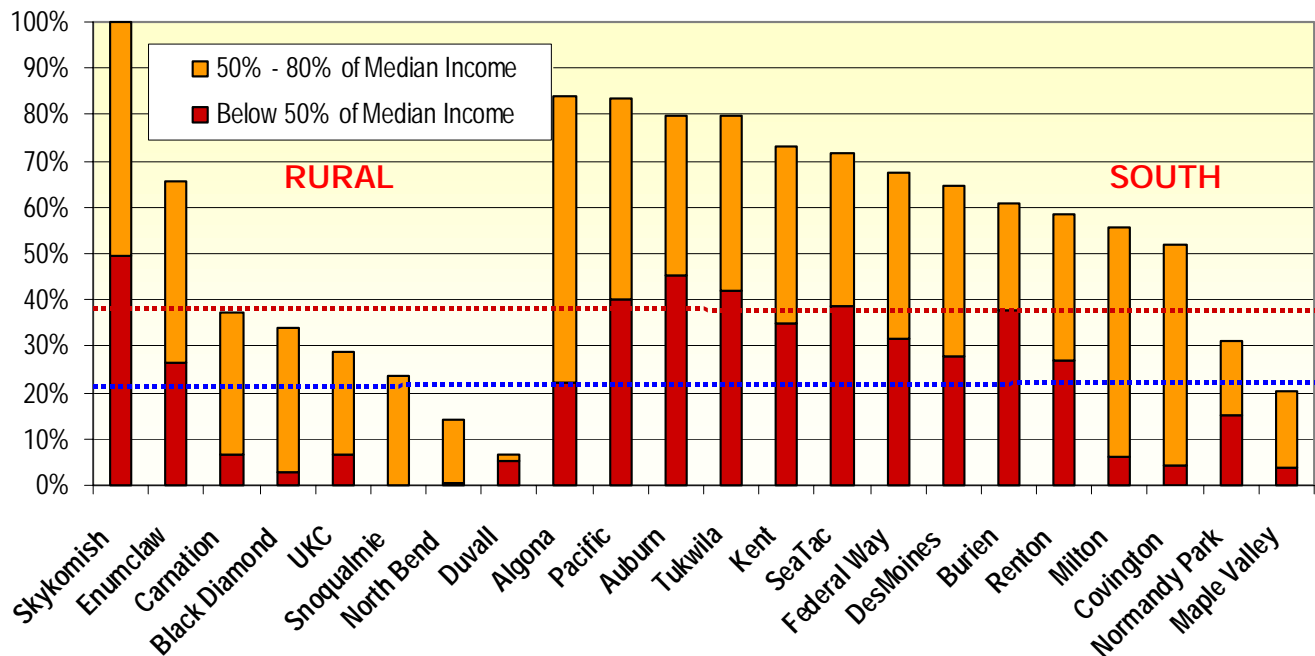
Outcome: Promote Equitable Distribution of Affordable Low-Income Housing throughout King County

INDICATOR 29: Existing housing units affordable to low income households.

Percent of Housing that is Affordable to Households Below 50% of Median Income, and Households from 50% - 80% of Median Income



Percent of Housing that is Affordable to Households Below 50% of Median Income, and Households from 50 - 80% of Median Income



AFFORDABLE HOUSING INDICATORS**Notes**

1. The graph above shows the percent of all units, both rental and ownership, that are affordable at two levels of income: a) households earning below 50% of median income, and b) households earning 50% - 80% of median income.
2. "Affordable housing" means a housing unit, whether renter or owner-occupied, that is affordable to households at these two income levels. See the table at the beginning of this chapter for H.U.D. income levels by household size, and affordable monthly payments.
3. The number of affordable rental units in each jurisdiction is determined in the following way: 1) A rental unit is considered affordable to those below 50% of median income (or 50 - 80%) if the rent for a 1 BR unit is affordable to a low income household of two, or the rent for a 2 BR unit is affordable to a low income family of three, etc. 2) The percentage of single family and multifamily units with affordable rents is determined by a survey sample of rental units for that city. For the smallest cities, there may be no survey data, or a very small sample. 3) Applying the sample percentages to the actual housing stock yields the number of existing housing units of each type that are affordable. Only market-rate units are included in the sample of rental units.
4. For affordable home sales a similar methodology is used. The "sample" is all home sales during 2000 in King County recorded in the Northwest Multiple Listing Service database.

About This Indicator

- Approximately 21% of the population earns less than 50% of the median income, and another 17% earns 50% to 80% of median income. To meet demand, and to satisfy the goal of equitable distribution of affordable housing, at least 38% of a jurisdiction's housing stock would need to be affordable. 22 cities met this criteria in 2000 (bar graph reaches to or above the dark red target line).
- Only 12 cities had sufficient units affordable to those earning below 50% of median income to meet demand. All were in South King County, except Skykomish.
- Overall, South King County and Skykomish have the highest proportion of existing affordable housing.
- While 5 out of 13 cities on the Eastside, and 2 out of 5 cities in the North area, have sufficient affordable housing for the 50 - 80% income group, none of these cities have enough housing for those earning below 50% of median income.
- The rural cities on the Eastside also have a low proportion of affordable housing.
- The maps which follow show that some cities have more affordable rental units, while others have more affordable homes for sale. For instance, Seattle has a very healthy percentage of affordable rental units, but a fairly low percentage of homes affordable to first-time buyers (8.8%). Likewise, unincorporated King County has sufficient affordable rental units, but only 18% of its home sales are affordable to moderate income households.
- There is a rapidly growing stock of condominiums in Seattle and in the larger suburban cities, but since 82% of these are 2 BR units or smaller, they are most

attractive to "empty-nesters", young couples, or single people.

Percent of All Housing Units Affordable to Those Earning:			
	0 - 50% of Median Income	50% - 80% of Median Income	0 - 80% of Median Income)
Algona*	22.0%	62.0%	83.9%
Auburn	45.3%	34.3%	79.6%
Beaux Arts*	0.0%	0.0%	0.0%
Bellevue	5.5%	32.0%	37.5%
Black Diamond*	3.0%	31.0%	34.0%
Bothell	6.6%	38.1%	44.7%
Burien	37.5%	23.5%	61.0%
Carnation*	6.7%	30.5%	37.1%
Clyde Hill*	0.0%	0.0%	0.0%
Covington*	4.4%	47.3%	51.7%
DesMoines	27.9%	36.5%	64.4%
Duvall*	5.3%	1.2%	6.6%
Enumclaw*	26.5%	39.0%	65.5%
Federal Way	31.6%	36.1%	67.7%
Hunts' Point*	0.0%	0.0%	0.0%
Issaquah	0.9%	47.5%	48.3%
Kenmore	7.2%	20.0%	27.2%
Kent	34.7%	38.3%	73.0%
Kirkland	4.7%	35.8%	40.6%
Lake Forest Pk	5.8%	9.9%	15.7%
Maple Valley	3.8%	16.5%	20.3%
Medina*	0.0%	0.0%	0.0%
Mercer Island	0.5%	14.2%	14.7%
Milton*	6.3%	49.5%	55.9%
Newcastle	1.2%	34.3%	35.5%
Normandy Park	15.2%	15.8%	30.9%
North Bend	0.5%	13.5%	14.1%
Pacific	39.9%	43.4%	83.4%
Redmond	2.4%	35.9%	38.3%
Renton	26.9%	31.4%	58.3%
Sammamish*	0.5%	5.7%	6.2%
SeaTac	38.8%	32.9%	71.7%
Seattle	14.9%	32.9%	47.8%
Shoreline	9.1%	25.3%	34.4%
Skykomish*	49.6%	50.2%	99.8%
Snoqualmie*	0.0%	23.5%	23.5%
Tukwila	41.8%	37.7%	79.5%
Woodinville	2.5%	39.7%	42.2%
Yarrow Point*	0.0%	0.0%	0.0%
City Total	16.7%	31.9%	48.7%
UKC	6.5%	22.4%	28.9%
Grand Total	14.9%	30.2%	45.1%

Data Sources: Dupre + Scott Apartment Advisors, King County Rental Housing Affordability, May, 2000; 1990 Census of Population and Housing, Detailed Housing Characteristics. King County DDES building permit data, and permit data from KC cities. 2000 home sales summary from Northwest Multiple Listing Service.

Policy Rationale: The policy rationale stems from Countywide Planning Policy AH-2 and AH-6, which call for achieving a rational and equitable distribution of affordable housing to meet the needs of low and moderate income residents in King County and directs all jurisdictions to share the responsibility. This indicator focuses only on low-income housing and its location in the County.

AFFORDABLE HOUSING INDICATORS



See Percent of Rental Housing Affordable to Households Earning Under 50% of the Median Income: 2000 - 2001 Map at:

http://www.metrokc.gov/exec/orpp/benchmrk/bench01/affhsg_01.pdf

AFFORDABLE HOUSING INDICATORS



See Percent of All Home Sales Affordable to Households Earning Under 80% of the Median Income: 2000 Map at:

http://www.metrokc.gov/exec/orpp/benchmrk/bench01/affhsg_01.pdf